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Our Culture Unites us; Our Land Sustains us; Our People are Prosperous

November 4, 2016

Via Electronic Submission

California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: Comments of Ahtna, Inc. on ARB's October 21 Cap-and-Trade Regulation Workshop and the Proposal to Reduce the Offset Credit Usage Limit

Dear Air Resources Board Staff:

We thank you for providing the opportunity to comment on the California Air Resources Board's ("ARB's") presentation at the October 21 stakeholder workshop. Specifically, we wish to address that portion of the workshop dedicated to AB 197 and Post-2020 Cap-and-Trade Program Design. Our concerns center on the potential post-2020 design change of reducing the current offset credit usage limit of 8%.

Ahtna, Inc. ("Ahtna") is an Alaska Native Regional Corporation established under the Alaska Native Claims Settlement Act. We represent nearly two thousand shareholders, almost all of them of Ahtna Athabascan descent. We are committed to preserving, strengthening, and enhancing our cultural identity, which includes protecting our lands and resources for our future generations. We hold title to roughly 1.6 million acres of land in Southeast Central Alaska. Our region includes 600,000 acres within America's largest National Park, Wrangell St. Elias, and holdings in Denali National Park, home of North America's tallest peak. We manage our lands in accordance with cultural and traditional uses and values, conservative development strategies, and principles of culturally appropriate stewardship. Ahtna plans on registering a large forest offset project as it is in keeping with our values and cultural identity.

In the 1970's, our leaders assisted in establishing the Trans-Alaska Pipeline System ("TAPS") by setting aside a 55-mile corridor through our fee-simple lands to provide for the 48-inch diameter pipeline. Seventeen billion barrels of oil have traveled through our lands via TAPS in a safe and environmentally sound manner. The revenue we now generate from TAPS is but a fraction of what it was years ago, with the pipeline running at 25 percent capacity due to the fall of oil and gas prices. Further, our resources are unique in Alaska in that they are completely accessible by road, thus making them prime candidates for exploitation. We are currently pitted in a struggle between maintaining our cultural values in the management of our

land and providing economic stability to our shareholders. Participating in California's offset program would alleviate this struggle by providing economic benefits to our shareholders through, not instead of, sustainable environmental practices.

Our people experience firsthand the negative impacts of climate change. California has been a national and international leader in the fight against a warming climate. ARB thus knows full and well that climate change requires a global solution. The offset program has been effective in banding together forces across borders to join this fight. We believe that if ARB reduces the ability to use offset credits for compliance purposes it may very well threaten a program that can prove essential in bringing the needed global approach to the fight against global warming.

The other benefits of the program cannot go unnoticed. Offset credits help to avoid market volatility by providing a reliable and reasonably priced means of compliance. Millions of tons of carbon have been sequestered by thousands of acres of forests due to the offset program. Wildlife habitat has been preserved on a massive scale. These properly managed forests stand as a testament to each forest owner's commitment to the benefit of future generations. It is this same commitment that Ahtna hopes to make through participating in the program.

We understand the felt injustice experienced by those communities that have suffered because of resource development. It is this exact same predicament that the offset program avoids by providing a means of economic opportunity in step with environmental conservation. We have strived to maintain a proper balance between the economic needs of our shareholders, our cultural identity, and our commitment to environmental stewardship. The offset program allows us to do so while maintaining our ancient values and way of life.

By reducing the offset credit usage limit, ARB would be directly threatening all of the above-mentioned benefits. It would reduce compliance cost stability, erode the program's capacity to unify a global front against climate change, and reduce the incentives to preserve natural resources over damaging resource development. Ahtna thus requests that ARB forego reducing the offset credit usage limit post-2020.

Sincerely,

A handwritten signature in black ink, reading "Michelle Anderson". The signature is fluid and cursive, with the first name "Michelle" written in a larger, more prominent script than the last name "Anderson".

Michelle Anderson
Ahtna, Inc. President